



# AGENDA STAFF REPORT

Control: 26001171

**MEETING DATE:** 05/05/2026

**LEGAL ENTITY TAKING ACTION:** Board of Supervisors

**BOARD OF SUPERVISORS DISTRICT(S):** All Districts

**SUBMITTING AGENCY/DEPARTMENT:** County Executive Office

**DEPARTMENT CONTACT PERSON(S):** Jamie Newton, 714-834-2836  
Daniel Baker, 714-834-7207

**SUBJECT:** Approve Contract for Auditing Services and Recommendations with Rachel Shaw, Inc

CEO CONCUR	COUNTY COUNSEL REVIEW	CLERK OF THE BOARD
Concur	Approve agreement to form	CONSENT CALENDAR 3 Votes Board Majority

<b>Budgeted:</b> Yes	<b>Current Year Cost:</b> \$60,000	<b>Annual Cost:</b> FY 2026-27 \$275,000 FY 2027-28 \$275,000 FY 2028-29 \$215,000
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<b>Staffing Impact:</b> No	<b>Current Fiscal Year Revenue:</b> N/A	<b>Funding Source:</b> General Fund: 100%	<b>Sole Source:</b> Yes
<b>Levine Act Review Completed?</b> Yes	<b>Prior Board Action:</b> N/A		<b>County Audit in Last 3 years:</b> No

**RECOMMENDED ACTION(S):**  
Authorize the County Procurement Officer or Deputized designee to execute the Disability Compliance Auditing Services and Recommendations contract with Rachel Shaw, Inc., effective May 5, 2026, through April 27, 2029, in an amount not to exceed \$825,000.

**SUMMARY:**  
Approval of a fee for service sole source contract with Rachel Shaw, Inc. to conduct a compliance audit coupled with recommendations for best practices in the development of a customized disability compliance program will provide targeted compliance training to key players in the County’s disability interactive processes and assist with aligning the needs of the County in determining effective centralized disability management practices.

**BACKGROUND INFORMATION:**  
The Board of Supervisors (Board) centralized Human Resource Services (HRS) on October 20, 2012. At that time the responsibility of employee disability management (known as Return to Work) was placed under the Employee and Relations team in the newly designed centralized organizational chart. Per the Proposal for the Major Reorganization of Countywide Human Resource Services, HRS was to “...coordinate with County Executive Office

(CEO)/Risk Management to define each party's role and responsibilities and procedures for the Return to Work program..." A human resources manager was initially assigned to manage the program in HRS with limited success.

Due to the complexity of centralizing employee disability management practices in the County, along with staffing challenges within HRS, it was decided that CEO/Risk Management would take a leadership role in the policy development, training, and tracking of employment disability cases. In October 2018, CEO/Risk Management formed the Integrated Disability and Absence Management (IDAM) team designed to develop policies, provide training, track employment disability cases, and support HRS staff in performing disability management practices.

The COVID-19 pandemic slowed down the focus on centralizing disability management practices as significant effort was made by HRS and CEO/Risk Management to ensure a safe working environment for all employees. Staffing changes within the IDAM team have furthered the discussion on how CEO/Risk Management and HRS can best operate and manage a centralized disability management program.

Ongoing discussions between HRS and CEO/Risk Management regarding the next efforts towards centralization determined that a skilled vendor with extensive experience in the development of disability management programs, policy development, and staff training would be the most efficient way to develop an effective and manageable centralized disability management program.

The proposed fee for services contract is sole source as Rachel Shaw, Inc. (Shaw) has more than 20 years of direct industry experience including building compliant programming aligned with best practice policies and procedures. The vendor's slate of services, ranging from conducting a compliance audit and providing recommendations for best practices, developing a customized disability compliance program based on the needs of the County and developing and providing targeted compliance training to key players in the County's disability interactive processes, aligns with the needs of the County in determining effective centralized disability management practices.

Shaw will conduct a disability compliance audit which will include a review of the County's current interactive process and reasonable accommodation program for employees, the coordination between HRS and CEO/Risk Management, recommend changes or modifications, and identify program material needs and training to support the interactive process for employees. Based on the audit findings and recommendations, and approved programming, the following fee-based activities may also be conducted by Shaw:

- Develop and provide program materials for pre-employment/post-offer, short-term disability, and long-term disability compliance.
- Develop and provide program materials for compliance with Americans with Disabilities Act/Federal Employment and Housing Act, as well as for Family and Medical Leave Act and California Family Rights Act compliance.
- Disability compliance training for staff that support programs related to disability compliance, including training for supervisors and managers regarding disability compliance.
- Essential Functions Position Analysis document creation to identify and support classifications with a higher rate of work-related injuries.
- On-Demand team support, mentorship, review and updating of documents, file assistance.
- Specialty program support and issue management assistance.

The Orange County Preference Policy is not applicable to this contract award. In addition, an analysis was completed to determine the contracts provide the County with persons specially trained, experienced, expert and competent to perform the special services in accordance with the law. This contract does not currently include subcontractors or pass through to other providers. See Attachment B for Contract Summary Form.

The Contract is being submitted for the Board's approval less than 30 days prior to the start of the contract due to ongoing and extensive discussions with Shaw related to the complex scope of the audit and after-action plan.

Shaw has non-standard insurance provisions that adds language regarding dual indemnification. Shaw has requested an exception to the County's indemnification language requirements to address constraints imposed on Shaw by its professional liability carrier. Specifically, Shaw's carrier requires all service contracts to include mutual indemnity provisions due to the litigious and interdependent nature of the services being provided.

Because this contract includes an audit and program development and no consultation regarding direct employee case work, County Executive Office Risk Management concurs with the addition of the dual indemnification language. See Attachment C Risk Assessment Form. This program has the potential to offer County HRS with valuable support as it relates to disability compliance. HRS is therefore asking the Board to approve this Contract containing non-standard insurance language.

**FINANCIAL IMPACT:**

Sufficient appropriations for the Contract are included in Budget Control 054 FY 2025-26 Budget and will be included in the budgeting process for future years. The proposed contract is contingent upon funding availability. In the event funding is reduced or terminated, the County may renegotiate the level of services and/or terminate the contract, as necessary.

**STAFFING IMPACT:**

N/A

**REVIEWING AGENCIES/DEPARTMENTS:**

N/A

**ATTACHMENTS:**

Attachment - A MA-017-26010280

Attachment - B Shaw Contract Summary Form

Attachment - C Risk Assessment